

Message Text

CONFIDENTIAL POSS DUPE

PAGE 01 JIDDA 04306 151415Z

47

ACTION NEA-10

INFO OCT-01 ISO-00 FEA-01 ERDA-05 AID-05 CEA-01 CIAE-00

CIEP-01 COME-00 DODE-00 EB-07 FPC-01 H-02 INR-07

INT-05 L-03 NSAE-00 NSC-05 OMB-01 PM-03 USIA-06

SAM-01 OES-03 SP-02 SS-15 STR-04 TRSE-00 FRB-03 /092 W

----- 048935

R 151300Z JUN 75

FM AMEMBASSY JIDDA

TO SECSTATE WASHDC 1568

AMEMBASSY AMMAN

AMEMBASSY BEIRUT

INFO AMEMBASSY DAMASCUS

AMCONSUL DHAHRAN

CONFIDENTIAL JIDDA 4306

E.O. 11542: GDS

TAGS: ENGR, ELTN, JO, SA, LE, US

SUBJECT: TAPLINE PROBLEMS APPEAR SOLVED; SAUDI DESIRE FOR
ALTERNATE OUTLETS

REF: A) BEIRUT 6848 AND PREVIOUS; B) AMMAN 2382 AND PREVIOUS;

C) JIDDA 3617

1. FRANK JUNGERS OF ARAMCO HAS TOLD THE AMBASSADOR THAT A TENTATIVE AGREEMENT HAS BEEN REACHED ON TAPLINE. SHIPMENTS WILL BE RESUMED TO LEBANON. PAYMENTS IN THE FUTURE WILL BE AT EITHER THE MARKET VALUE OF OIL IN THE EASTERN MEDITERRANEAN OR THE RAS TANURA COST PLUS TAPLINE COSTS, WHICHEVER IS LOWER. ARAMCO WILL BE REIMBURSED FOR OIL ALREADY SHIPPED, PRESUMABLY BY WAY OF A SAUDI LOAN OR AN OUTRIGHT GIFT TO LEBANON.

2. ARAMCO IS DISPOSED TO GO ALONG. HOWEVER, THEY HAVE BEEN ASKED TO OPERATE TAPLINE WITHOUT A PROFIT, I.E. AS A SERVICE. THEY WOULD PREFER TO OPERATE TAPLINE AS A PROFIT MAKING VENTURE, OF COURSE, BUT WILL PROBABLY

CONFIDENTIAL

CONFIDENTIAL

PAGE 02 JIDDA 04306 151415Z

COMPLY.

3. A SIMILAR ARRANGEMENT WILL BE MADE FOR JORDAN. BACK PAYMENTS WILL ALLOW ARAMCO TO AVOID LOSS, BUT WILL NOT PERMIT ANY PROFIT, SUCH AS WOULD HAVE RESULTED IF THE SIDON POSTED PRICE WERE CHARGED. ARAMCO BELIEVES THE ARRANGEMENT IS THE BEST THEY COULD PROBABLY GET.

4. JUNGERS WENT ON TO SAY THAT THE SAUDIS ARE INTERESTED IN MAINTAINING ALTERNATE OUTLETS TO THE SEA OTHER THAN THE STRAITS OF HORMUZ. THEY HAVE DEFINITELY DECIDED TO CONSTRUCT A NATURAL GAS PIPE LINE ACROSS THE PENINSULA TO YENBO AND MAY VERY WELL DECIDE TO CONSTRUCT A CRUDE LINE. THEY ARE ALSO SERIOUSLY DISCUSSING A PIPE LINE TO THE INDIAN OCEAN FROM THE RUB AL KHALI. JUNGERS ASSUMES THIS WOULD BE VIA OMAN TO TIE INTO THE UNDER-USED OMANI PIPE LINE. THE SAUDIS, HOWEVER, APPEAR TO HAVE OTHER IDEAS (SEE IMMEDIATELY FOLLOWING SEPTEL).

AKINS

CONFIDENTIAL

NNN

Message Attributes

Automatic Decaptoning: X
Capture Date: 01 JAN 1994
Channel Indicators: n/a
Current Classification: UNCLASSIFIED
Concepts: AGREEMENTS, PETROLEUM PIPELINES, BUSINESS FIRMS
Control Number: n/a
Copy: SINGLE
Draft Date: 15 JUN 1975
Decapton Date: 01 JAN 1960
Decapton Note:
Disposition Action: RELEASED
Disposition Approved on Date:
Disposition Authority: KelleyW0
Disposition Case Number: n/a
Disposition Comment: 25 YEAR REVIEW
Disposition Date: 28 MAY 2004
Disposition Event:
Disposition History: n/a
Disposition Reason:
Disposition Remarks:
Document Number: 1975JIDDA04306
Document Source: CORE
Document Unique ID: 00
Drafter: n/a
Enclosure: n/a
Executive Order: GS
Errors: N/A
Film Number: D750208-0667
From: JIDDA
Handling Restrictions: n/a
Image Path:
ISecure: 1
Legacy Key: link1975/newtext/t19750648/aaaabrz.tel
Line Count: 78
Locator: TEXT ON-LINE, ON MICROFILM
Office: ACTION NEA
Original Classification: CONFIDENTIAL
Original Handling Restrictions: n/a
Original Previous Classification: n/a
Original Previous Handling Restrictions: n/a
Page Count: 2
Previous Channel Indicators: n/a
Previous Classification: CONFIDENTIAL
Previous Handling Restrictions: n/a
Reference: 75 BEIRUT 6848, 75 AMMAN 2382
Review Action: RELEASED, APPROVED
Review Authority: KelleyW0
Review Comment: n/a
Review Content Flags:
Review Date: 13 AUG 2003
Review Event:
Review Exemptions: n/a
Review History: RELEASED <13 AUG 2003 by KelleyW0>; APPROVED <03 DEC 2003 by KelleyW0>
Review Markings:

Margaret P. Grafeld
Declassified/Released
US Department of State
EO Systematic Review
06 JUL 2006

Review Media Identifier:
Review Referrals: n/a
Review Release Date: n/a
Review Release Event: n/a
Review Transfer Date:
Review Withdrawn Fields: n/a
Secure: OPEN
Status: NATIVE
Subject: TAPLINE PROBLEMS APPEAR SOLVED; SAUDI DESIRE FOR ALTERNATE OUTLETS
TAGS: ENRG, ELTN, JO, SA, LE, US, TAPLINE
To: STATE BEIRUT
Type: TE
Markings: Margaret P. Grafeld Declassified/Released US Department of State EO Systematic Review 06 JUL 2006